



### **Direct Loan Cash** Management



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# Grant Administration and Payment System (GAPS)

#### **GAPS Hotline (888) 336-8930**

Call For General GAPS Questions Including:

- GAPS User ID and Password
- Status of Payments
- Draw Down Procedures

GAPS Hotline is staffed from 8A.M. to 8P.M. Eastern Standard Time (EST) Monday-Friday except Holidays

# Direct Loan Document Numbers

- P268k993299
- p=Program Office issuing the award
- 268=CFDA numeric suffix of the program
- k=sub program identifier
- 99=last 2 digits of funding year-99 corresponds to academic year 1998-99
- 3299=unique institution identifier

# Wethods of Requesting Funds Through GAPS

- Internet http://gapsweb.ed.gov
- GAPS Hotline (telephone)
  - 1-888-336-8930
- EDExpress Until February 1999

# Methods of Receiving Payments

- Automated Clearing House (ACH) approximately 2 days for funds to be deposited.
- FEDWIRE Same day receipt of funds if requested before 12:30P.M. EST. Next day receipt if requested after 12:30P.M. EST.



#### One academic year to another

School	Document	Draws	Adjustment
School A	p268k983288	\$54,000	\$5,000
School A	p268k993288	\$98,000	-\$5,000
	Total	\$152,000	\$0

#### One school to another

School	Document	Draws	Adjustment
School B	p268k983289	\$50,000	-\$5,000
School C	p268k993290	\$60,000	\$2,000
School D	p268k993291	\$70,000	\$3,000
	Total	\$180,000	\$0

# Returning Excess Cash

- **Send Checks to:**
- **Loan Origination Center**
- **ATTN: Excess Cash**
- PO Box 2011
- Montgomery, AL 36102-2011
- Excess cash greater than \$100,000 needs to be **FEDWIRED** to:
- Compass Bank
- Bank Act.# 707 2672 6
- ABA Routing# 06 200118 6



# Prawing Down at the Branch Campus Level

- Main Campus 1998 \_\_\_\_\_
- Main Campus 1999 \_\_\_\_\_
- Branch Campus A 1998 \_\_\_\_\_
- Branch Campus A 1999 \_\_\_\_\_
- Branch Campus B 1998 \_\_\_\_\_
- Branch Campus B 1999 \_\_\_\_\_

# Prawing Down at the Branch Campus Level

- Main Campus 1998 \_\_\_\_\$4,000
- Main Campus 1999 \_\_\_\_\_
- Branch Campus A 1998 \_\_\_\_\_
- Branch Campus A 1999 \$2,000
- Branch Campus B 1998 \_\_\_\_\$4,000
- Branch Campus B 1999 \_\_\_\_\_

# Institutional Responsibilities







**Business** Office



- Reconciliation
- Data Management
- Processing Responsibilities
- Regulatory Compliance



Computer **System Staff** 







- Monthly Reconciliation
- Annual Close Out Process



Computer System Staff



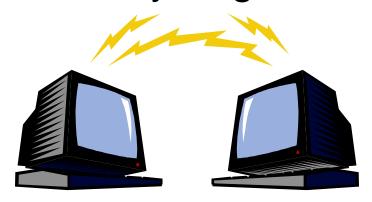
Financial







Activity Logs



Computer System Staff



- Tracking Promissory Notes Status
- Importing Acknowledgments
- Resolving Rejects
- Reporting Disbursements
- Verifying Booked Loan Status

# Régulatory Compliance





- Cash Management Regulations
- 30 Day Reporting Requirement



Computer System Staff

# Departmental Responsibilities





- Transmits the DLSAS each month
  - Customer Service Representatives for assistance
  - Reconciliation Accountants



- School Reconciliation Activities (DLSAS)
- 30 Day Reporting Requirement
- School Drawdown Activities
- Coordinating and Managing the Close Out Process for DL Program Years



#### The Role of the CAMS





- Training (Spring 1999)
  - Direct Loan Year 6
    - Advanced and beginner sessions
  - Reconciliation



# Direct Loan Client Account Management Group (CAMS)

- Technical Assistance
  - Electronic process evaluation
  - Policy issues
  - Close out procedures
    - Compare program



- Customer Service
  - Problem resolution
  - Site visits
  - Special on-site training



## Monthly Reconciliation

- Reconciliation: Pieces of the Puzzle
  - DLSAS (Direct Loan School Account Statement)
  - Internal school ledgers
  - Daily Direct Loan processing
  - Reports and queries (ad hoc)





#### The DLSAS

- Automatically generated for each school
  - Monthly
- Three-part "Bank Statement"
  - Cash summary
  - Cash detail
  - Loan detail (optional)
- Simultaneous processing years





- Cash Summary Summarizes
  - Drawdowns for the month
  - Excess cash received by LOC for the month
  - All disbursements acknowledged for the month
    - Disbursements, adjustments, cancellations
    - Booked loans ONLY
  - Accepted disbursements for unbooked loans
- Timing is EVERYTHING



#### **DLSAS Cash Detail**

- Cash Detail Provides
  - Listing of drawdowns, by transaction
    - Furnished by GAPS
  - Listing of excess cash returned, by transaction
    - Furnished by LOC



- Loan Detail Provides
  - Booked disbursements\* acknowledged during month
  - Accepted but unbooked disbursements\* for the academic year
  - (\*Note: "disbursements" = disbursement, adjustment, and cancellation transactions)
- Call the LOC if you do not want this part of the report



# DLSAS Fun Facts!

- Message class is DSAS990P
- Batch Identifier is AS
- File/Import/Direct Loans
  - DL School Account Statement
- Message Class for Unbooked Totals is EDM5990P



- DLSAS cash balance must be reconciled to internal cash balance
  - Checkbook/bank statement analogy
- The path you take is NOT defined by ED
- Document monthly differences



## If All Else Fails...

- Loan Detail Exception File (#L Batch)
  Data Compare Option
  - Export loan data from internal system
    - Booked data for specified month
    - Unbooked data is cumulative
  - LOC returns side-by-side comparison report
    - LOC data versus school data, line by line



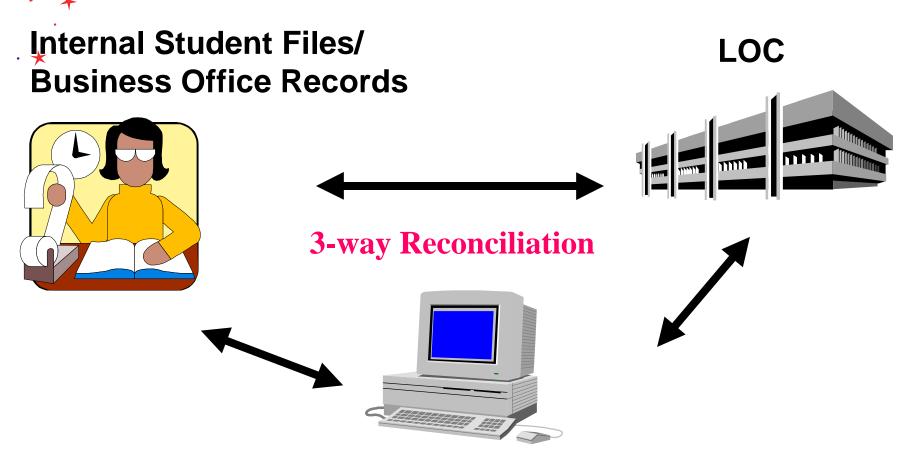
## Tools to Help in Reconciliation

- School System Reports
  - Booked Status report
  - Cash Management report
  - Loans with Origination not in "A" status
  - Loans with Prom Note not in "A" status
  - Loans with Disbursement not in "A" status
    - QUERIES
  - Anything else that helps reconciliation



# Annual Program Year Close Out Process





**EDExpress or Other School DL Database** 

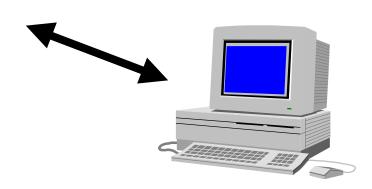


## Reconcile Internally

Internal student files/ business office records



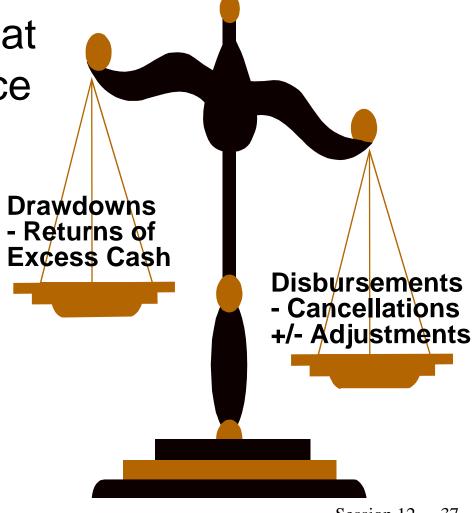
Does the data on your database (EDExpress or other) match in your internal accounting records/student records?



## Reconcile Internally - Cont'd

Internally, are you at a zero cash balance for 1997/98?







#### The 732-LOS Report

- For 1997/98 the First Report Run Date in December
  - Message classes:
    - dis498OP ..... 732-LOS Summary Report
    - dis598OP ..... 732-LOS Cash & Loan Detail Report
    - dis698OP ..... 732-C File
  - See DLB for Report Layouts

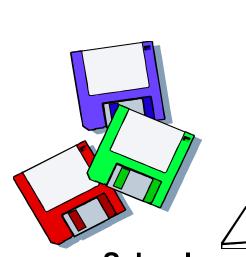
### 732-LOS Detail Report

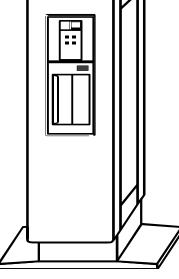
Lists all Cash Records and Loan Records on the LOC

System

The DLCAMG Compare Program\* can Electronically Compare the Report Against Your EDExpress Database

The Program can also be Adapted for Other Database Systems



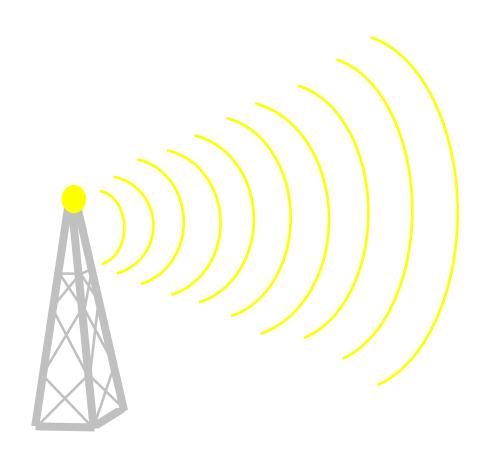


School Database

\*contact your account manager



- Are All Disbursements
  Entered?
- Were They Batched and Transmitted?
- Loan Origination Records/Changes?
- Promissory Notes?
- Did You Remember to Send Back All Returns of Excess Cash?



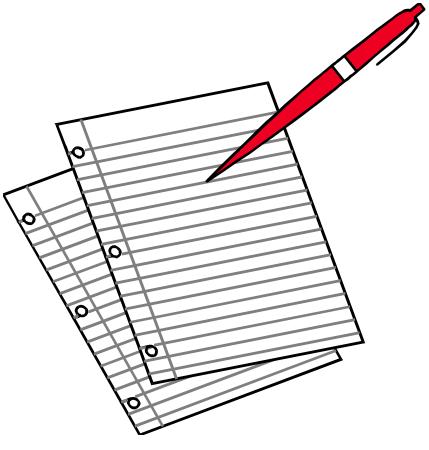


- Are All Batches Confirmed?
- In EDExpress Check the Batch Activity Database for Dates in the Confirmation Column



# Determine if Loans/ Disbursements are Booked

- Run Reports/Queries to Determine if any LORs, Disbursements or P-notes are NOT in an "A" Status
- Use the 30 Day Warning Reports
- In EDExpress, Run the Reconciliation Measurement Tool



## What the Compare Program Does

School Data
Exported from
EDExpress or
Other System



LOC Data Exported from the 732-LOS Detail Report (dis598OP)

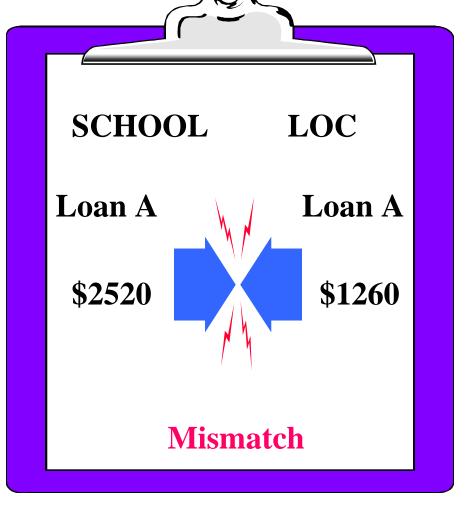


Output Reports
Show Mismatched
Cash and Loan Records

- If there are loan records on the school system but no corresponding record on the 732
- If there are loan records on the 732 but no corresponding record on the school system

SCHOOL LOC
Loan A? Loan B? ?
Unmatched

If there are corresponding loan records but net disbursement amounts don't match



If any cash records can't match because of different amounts, missing records or dates outside a tolerance window

SCHOOL	LOC
R 3/15 \$3000	3/15 \$3000
R 4/20 \$5000	4/24 \$5000
X 5/30 \$4000	6/1 \$4000 🚫
R 7/10 \$900	7/11 \$9000 🚫
X 8/11 \$2000	?

If there are unbooked loans on the 732

SCHOOL	LOC
Loan A \$2520	Loan A \$2520
P-note = S	-
Unbo	nked
Choo	JKCU

# What Doesn't the Program Tell Me?

why a cash or loan record is missing

why a cash or loan record amount is mismatched

why a loan is unbooked

doesn't identify records I haven't entered and/or reported to the LOC because neither side will show those



#### We Recommend ...

- Close out efforts should begin NOW- begin reviewing 732 files and share information with other offices
- Work closely with your LOC customer service representative and CAM
- Coordinate your close out effort with your third -party servicer





- Deadline date: July 31, 1999
- Waiver of Data Match requirement (#L batch) effective immediately
- 732-LOS file to be released soon to schools



#### Questions...